

## Sunnyside Cogeneration Associates

P.O. Box 10, East Carbon, Utah 84520 • (435) 888-4476 • Fax (435) 888-2538

October 23, 2007

Pam Grubaugh-Littig  
Division of Oil, Gas & Mining  
1594 W. North Temple, Suite 1210  
Salt Lake City, Utah 84116

RE: DOGM Permit Renewal Application  
Sunnyside Cogeneration Associates  
Sunnyside Refuse and Slurry C/007/035

*J. [unclear] OK*  
*C/007/035*  
*#2842*

Dear Ms. Littig:

Please find enclosed five clean copies of SCA's Chapter 1 updates and a copy of the Affidavit of Publication. Both are pertaining to SCA's permit renewal (Permit Number (C/007/035)).

If you have any questions or if further clarification is needed please contact Rusty Netz or myself at (435) 888-4476.

Thank You,

Michael J. Blakey  
Agent for  
Sunnyside Cogeneration Associates

cc. Steve Gross  
William Rossiter  
Paul Shepard  
Ramiro Garcia  
Rusty Netz  
Plant File

**RECEIVED**  
OCT 30 2007  
DIV. OF OIL, GAS & MINING

**AFFIDAVIT OF PUBLICATION**

STATE OF UTAH)

SS.

County of Carbon,)

I, Richard Shaw, on oath, say that I am the Publisher of the Sun Advocate, a twice-weekly newspaper of general circulation, published at Price, State a true copy of which is hereto attached, was published in the full issue of such newspaper for 4 (Four) consecutive issues, and the first publication was on the 27th day of September, 2007, and that the last publication of such notice was in the issue of such newspaper dated the 18th day of October, 2007.

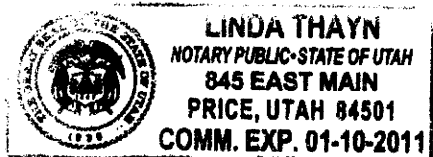
  
Richard Shaw - Publisher

Subscribed and sworn to before me this 18th day of October, 2007.



Notary Public My commission expires January 10, 2007 Residing at Price, Utah

Publication fee, \$366.08



OCT 22 2007

cc file

**PUBLIC NOTICE**

Notice is hereby given as required by the Utah Coal Mining Rules, R645-300-121 that Sunnyside Cogeneration Associates, P.O. Box 10, East Carbon, Utah 84520 has filed an application to permit Waste Coal Mining. Approval of this application will allow Sunnyside Cogeneration Associates to operate the Sunnyside Waste Coal Pile project under the provisions of the Utah Coal Mining and Reclamation Act and the Utah R645 Coal Mining Rules.

The permit area is comprised of 328.95 acres of fee land and is located in Carbon County, Utah, just off Hwy. 123. The proposed permit area will not affect any County or State road in anyway. The entire property is located within lands shown on USGS 7.5 minutes "Sunnyside" Quadrangle map and described as:

Tractable 15 South, Range 14 East, SLB&M  
Section 6: Portions of S4/2 and S3/4 of NE1/4  
Section 7: Portions of N1/2

Copies of the permit will be available for inspection at the following locations:

Utah Division of Gas and Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, Utah 84114

Utah Division of Gas and Mining  
465 West Railroad Ave.  
Price, Utah 84501

Mining activities were previously permitted by Permit C/007/035 dated February 4, 2003.

Written comments, objections or requests or an informal conference regarding this application must be submitted within 30 days of the last publication date of this notice, to the Utah Division of Oil, Gas and Mining, Attention Coal Regulatory Program, 1594 West North Temple, Suite 1210, Salt Lake City, Utah 84114.  
Published in the Sun Advocate September 27, October 4, 11 and 18, 2007.

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# **CHAPTER ONE**

## **100 GENERAL CONTENTS**

### **112 IDENTIFICATION OF INTERESTS**

#### **112.100 Statement as to Type of Entity**

The Applicant, Sunnyside Cogeneration Associates ("SCA"), is a Utah joint venture between Sunnyside Holdings I, Inc. and Sunnyside II, L.P. Information regarding these entities and other parent or controlling corporations is described in the sections that follow.

#### **112.210 Information Regarding the Applicant**

Additional information regarding the applicant may be obtained by contacting:

**Plant Manager**

Sunnyside Cogeneration Associates  
Attn: Michael J. Blakey  
P.O. Box 10  
East Carbon, Utah 84520  
EIN: 84-1027564  
Phone: (435) 888-4476

**Plant Engineer**

Attn: Rusty Netz  
One Power Plant Road, Sunnyside, UT 84539  
P.O. Box 159  
Sunnyside UT 84539  
Phone: (435) 888-4476  
Fax: (435) 888-2538

**Utah Counsel**

Fred W. Finlinson, Esq.  
Brian W. Burnett, Esq.  
Callister Nebeker & McCullough  
10 East South Temple  
Salt Lake City, UT 84133  
Phone: (801) 530-7300

**Environmental Manager**

Attn: Ramiro Garcia  
COSI  
95 Enterprise, Suite 300  
Aliso Viejo, CA 92656  
Phone: (949) 425-4755  
fax: (949) 852-1720

**General Manager**

Kendall Reed  
ACI  
RR2 Box 56, Highway 3016  
Clarion, PA 16214  
Phone: (814) 226-8001  
Fax: (814) 226-7909

#### **112.220 Information Regarding the Resident Agent:**

Sunnyside Cogeneration Associates  
Attn: Michael J. Blakey, Plant Manager  
P.O. Box 159, Sunnyside UT 84539 (mailing address)  
# One Power Plant Road, Sunnyside, UT 84539 (street address)  
Phone: (435) 888-4476  
EIN: 84-1027564

#### **112.230 Information Regarding Abandoned Mine Land Reclamation Fee:**

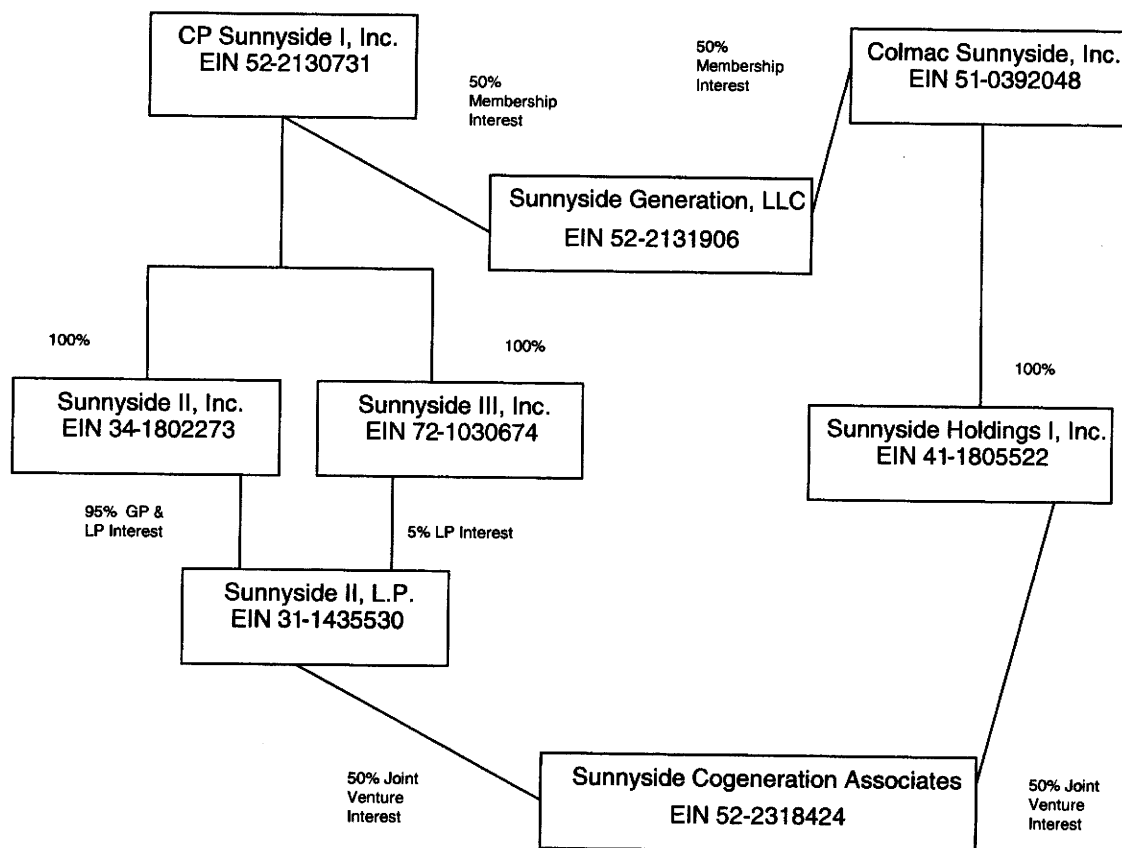
On July 27, 1994 the Office of Surface Mining found that the waste material located within the SCA Permit Area has no value and is not subject to reclamation fees. Correspondence relating to this matter is included in Appendix 1-1. OSM-1 to be filed.

### 112.300-330 Information Regarding "Owners" and "Controllers":

The Applicant, SCA, is a Utah joint venture. SCA holds the contracts, property, and permits for the project in its name. Because the joint venture is essentially a partnership between Sunnyside Holdings I, Inc. and Sunnyside II, L.P., SCA has no corporate information of its own. Therefore, the information required under regulation 112.300- 330 is provided for the joint venture partners, Sunnyside Holdings I, Inc. and Sunnyside II, L.P., and their parent or controlling corporations.

The information relevant to Sunnyside II, L.P. traces to the parentage of CP Sunnyside I, Inc, and the information relevant to Sunnyside Holdings I, Inc. traces to the parentage of Colmac Sunnyside, Inc., as follows:

### Sunnyside Organization Chart



## **CP Sunnyside I, Inc:**

**Directors:**            John T. Long  
                                 Stephen B Gross

<b><u>Officers:</u></b>	John T Long	Senior Vice President CGG, and President CPG
	Stephen B Gross	Vice President
	Michael J. Blakey	Vice President
	Paul Shepard	Vice President
	Steven L. Miller	Secretary
	Daniel L. Haught	Treasurer

The address for the officers and directors is 111 Market Place, Suite 200, Baltimore, Maryland 21202. All Directors and Officers were elected Spring 2003.

CP Sunnyside Inc. is the Managing Member of Sunnyside Generation, LLC.

**Sunnyside II, Inc. & Sunnyside III, Inc.:**

Directors: John T. Long  
Stephen B Gross

<u>Officers:</u>	John T Long	Senior Vice President CGG, and President CPG
	Stephen B Gross	Vice President
	Michael J. Blakey	Vice President
	Paul Shepard	Vice President
	Steven L. Miller	Secretary
	Daniel L. Haught	Treasurer

The address for the officers and directors is 111 Market Place, Suite 200, Baltimore, Maryland 21202. All Directors and Officers were elected Spring 2003.



### **Colmac Sunnyside, Inc.:**

**Directors:** Willis S. McLeese  
Greg Lawyer

<b><u>Officers:</u></b>	Willis S. McLeese	Chairman, CEO
	Greg Lawyer	President
	Robert S. McLeese	Secretary and CFO
	William Cangan	Assistant Secretary

The address for the officers and directors is 103 Springer Building, 3411 Silverside Road, Wilmington, DE 19810. The Directors' and Officers' start date was October 15, 1999.

### **Sunnyside Holdings I, Inc.**

**Directors:** Willis S. McLeese  
Greg Lawyer

<b><u>Officers:</u></b>	Willis S. McLeese	Chairman, CEO
	Greg Lawyer	President and COO
	Robert S. McLeese	Secretary and CFO
	William Cangan	Assistant Secretary

The address for the officers and directors is 103 Springer Building, 3411 Silverside Road, Wilmington, DE 19810. The Directors' and Officers' start date was August 27, 1999.

#### **2.340-420 Further Information Regarding Owners and Controllers**

Neither Sunnyside II, L.P., nor Sunnyside Holdings I, Inc., nor their owners or controllers, has owned or controlled a coal mining and reclamation operation in the United States within five years preceding the date of this application, nor do they have any interest in any pending coal mine operation permit applications except for the following:

C/007/042 Star Point Waste Fuel, Wattis Utah.

## **Savage Services Corporation**

Savage Industries, Inc., and unaffiliated third party, is contracted by SCA to remove waste coal from the refuse pile. The waste coal is utilized in SCA's adjacent electric generating plant. Information regarding Savage Industries follows:

### Directors/Officers:

Neal Savage	Vice Chairman
Allen B. Alexander	Chairman, CEO and President
H. Benson Lewis	Executive Vice President, Chief Financial Officer
David G. Wolach	Executive Vice President, Business Development
James T. Jensen	Executive Vice President, General Counsel & Secretary
Todd L. Savage	Executive Vice President
John K. Savage	Sr. Vice President
Howard F. Goodman	Sr. Vice President
Nathan N. Savage	Sr. Vice President
Donald W. Alexander	Sr. Vice President
Curtis C. Dowd	Sr. Vice President
Kelly J. Flint	Sr. Vice President, Ass't. General Counsel and Ass't Secretary
David L. Harris	Vice President and Controller
Tad A. Koch	Vice President
C. Scott Smith	Vice President

### **112.500 Surface and Mineral Property**

There are no legal or equitable owner of the surface or mineral property to be mined other than the Applicant. Additionally, there are no leasehold interest nor any purchasers of record under a real estate contract for the property to be mined except for the following:

Sunnyside Project L.L.C., Utah limited liability company, has a leasehold interest in SCA's permit property.

### 112.600 Contiguous Property

The name and address of each owner of record of all property (surface and subsurface) contiguous to any part of the proposed permit area:

U.S. Department of the Interior  
Bureau of Land Management  
Utah State Offices  
324 South State Street  
Salt Lake City, UT 84101

Penta Creeks, L.L.C.  
140 South Newton Street  
Albert Lea, MN 56007

Magnificant 7, L.L.C.  
140 South Newton Street  
Albert Lea, MN 56007

Historical Properties, Inc.  
207 Montgomery  
Suite 215  
Montgomery, AL 36104

East Carbon City  
East Main St.  
East Carbon, UT 84520

Sunnyside Land, L.L.C.  
c/o Penrod Keith, Esq.  
LeBOEUF LAMB GREENE & MacRAE  
1000 Kearns Building  
136 South Main St.  
Salt Lake City, UT 84101  
(Attorneys for the Chapter 7 Trustee)

Covol Technologies, INC.  
11778 South Election Rd.  
Suite 210  
Draper, Utah 84020

Sunnyside Properties, L.L.C.  
One Power Plant Road  
PO Box 139  
Sunnyside, UT 84539

### 112.700 MSHA Numbers

The MSHA numbers for all mine-associated structures that require MSHA approval:

Coarse Refuse Pile	1211-UT-09-02093-01
East Slurry Cell	1211-UT-09-02093-02
Excess Spoil Disposal Area #1	1211-UT-09-02093-04
Excess Spoil Disposal Area #2	1211-UT-09-02093-05

### 112.800 Applicants Interest in Contiguous Lands

Applicant holds a lease contiguous to the SCA Permit Area; specifically, SCA holds a lease on the 72.5 acres (directly north of the SCA Permit Area) upon which the cogeneration power plant is located. The area covered by SCA's leasehold interest is shown as "Lease Area" on Plate 1-1. In addition, SCA leases land from the City of East Carbon to the west of the Permit Area.

## **113 VIOLATION INFORMATION**

### **113.100-250 Suspensions and Revocations**

Neither the Applicant, nor any of its subsidiaries, affiliates, or persons controlled by or under common control with the Applicant 1) has had a federal or state mining permit suspended or revoked in the last five years, or 2) has forfeited a mining bond or similar security deposited in lieu of bond. Figure 1-4 includes documentation of recent OSM recommendations from the Applicant Violator System (AVS).

### **113.300 Violations and Unabated Cessation Orders**

Sunnyside Cogeneration Associates received one notice of violation from the Utah Division of Oil, Gas and Mining (DOGM) within the three year period prior to the application for Permit Renewal. Information regarding this violation is described below:

There have not been any unabated cessation orders or unabated air and water quality violation notices received by any coal mining and reclamation operation owned or controlled by either the Applicant or by any person who owns or controls the Applicant.

### **113.310 Violation Information**

Star Point Waste Fuel – C/007/042, NOV# N04-49-3-1, Requirements of the violation have been satisfied.

## **114 RIGHT-OF-ENTRY INFORMATION**

### **114.100 Description of Legal Documents**

Sunnyside Fuel Corporation (a predecessor-in-interest to SCA) obtained fee title to the SCA Permit Area (and thus the legal right to enter and begin activities) pursuant to a Deed, Assignment, and Bill of Sale between Kaiser Fuel Corporation (a predecessor-in-interest to the existing permittee Sunnyside Coal Company) as Grantor, and Sunnyside Fuel Corporation, as Grantee, dated December 28, 1987, recorded December 29, 1987 at Book 277 of Record, Pages 679-690 at Carbon County, Utah. Sunnyside Fuel Corporation transferred its rights under the Deed, Assignment and Bill of Sale to the Applicant on or about April 1, 1991. Applicant's right-of-entry is not the subject of any pending litigation. The legal description of the lands affected (*i.e.*, the SCA Permit Area) is set forth above at R645-303-322.

### **114.200-230 Private Mineral Estate**

These sections do not apply because the private mineral estate has not been severed from the private surface estate.

## **115 STATUS OF UNSUITABILITY CLAIMS**

### **115.100 Unsuitable Areas**

The SCA Permit Area is not within an area designated unsuitable for coal mining and reclamation operations or is within an area under study for designation in an administrative proceeding under R645-103-300, R645-103-400, or 30 CFR Part 769.

### **115.200 Exemptions**

This section is not applicable because Applicant does not claim the exemption described in R645-103-333.

### **115.300 Public Roads**

This section does not apply because Applicant does not propose to conduct coal mining and reclamation operations within three hundred feet of an occupied dwelling or within 100 feet of a public road.

## **116 PERMIT TERM**

### **116.100 Start and Termination Dates**

A waste disposal facility, which will comprise a portion of a coal mine waste fired electric power plant, is located adjacent to the SCA Permit Area and has been operational since 1993. Figure 1-6 includes documentation of recent permit term approvals. The refuse pile located in the SCA Permit Area is being reclaimed over an approximate 30-year period by burning it in the adjacent facility.

### **116.200-220 Term in Excess of Five Years**

These sections do not apply because Applicant does not require an initial permit term in excess of five years in order to obtain necessary financing for equipment and the opening of the operation.

## **117 INSURANCE**

### **117.100 Liability Insurance**

A copy of the certificate of liability insurance is attached at Figure 1-1 hereto.

### **117.200 Proof of Publication**

A newspaper advertisement, Figure 1-2, has been published in the "Sun Advocate" for four (4) weeks following the determination of completeness. Proof of publication of the newspaper advertisements is given in Figure 1-3.

### **117.300 Shared Facilities**

This Section does not apply because there are no plans of a facility or structure that is to be shared by two or more separately permitted coal mining and reclamation operations.

## **118 APPLICATION FEE**

The required filing fee of \$5.00 was submitted with the original Permit Application.

## **123 VERIFICATION**

The required verification statement is included in Figure 1-5.

## **130 REPORTING OF TECHNICAL DATA**

SCA, in the preparation of this permit document, has compiled and relied on data and maps from previous permit applications and previously approved permits for the Sunnyside Coal Company's (SCC) mines. Information regarding preparers can be found in the SCC Permit document. Any additional studies, which SCA has performed, include preparers name, methods, and other information.

## **140 MAPS AND PLANS**

Maps submitted herewith are presented in a consolidated format, to the extent possible, and include the types of information that are set forth on U.S. Geological Survey of the 1:24,000 scale series. The maps of adjacent areas will clearly show the lands and waters within those areas and are at the scale determined by DOGM. The maps and cross-sections associated with this Permit are listed in the General Table of Contents.

## **150 COMPLETENESS**

This Permit Application contains the information required by R645-301; R645-302 is not applicable.